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Remarks

U.S. Department of Agriculture • Office of Governmental and Public Affairs

Prepared for delivery by Secretary of Agriculture John R. Block at the American Chamber of Commerce, Rio de Janeiro, Brazil, Aug. 11.

The Outlook For World Agriculture and Trade

Thank you for inviting me to join you today. Many of you here have been working hard to strengthen U.S. trading relationships with Brazil, which ranks as one of America's major partners in international trade.

Brazil is one of the United States' most significant markets for wheat and, in turn, is our principal supplier of agricultural imports. It also is one of our stiffest competitors in the international marketplace.

This marketplace is under great strain right now from the severe imbalance in the supply of and demand for agricultural products.

During the last crop season, the world's farmers harvested record crops of grains, oilseeds, and cotton. Unfortunately, even as production was climbing, demand was falling off. The global recession, the heavy debt loads of many prospective importers, and an increase in protectionist trade policies resulted in little, if any, growth in world trade. This is in marked contrast to the rapid gains of the 1970's.

As a consequence, world stocks of many agricultural commodities have mounted to serious levels and prices have weakened sharply. In some countries, the pressure to dispose of surpluses has led to heavy export subsidies. This puts a serious strain on national treasuries—and the relationships between nations competing for markets.

And the economists who work for me in the U.S. Department of Agriculture say we can't expect much improvement in the upcoming marketing year. World demand for agricultural products in 1983/84 is expected to continue stagnant or declining, while many producing countries outside the United States are projected to harvest record-large crops of grains, oilseeds, and cotton.

Indeed, the projected 22-percent cut in U.S. grain production in 1983/84 is in marked contrast to a 3-percent increase for the rest of the world. Likewise, the U.S. cut of 14 percent in oilseed production is being partly offset by a 5-percent increase for other producers.

Obviously, world supply and demand is going to continue out of sync for another year at least. And this imbalance poses a serious threat to the stability of the international marketplace—which is of vital concern to large agricultural exporters such as our two nations.

Farmers in the United States and Brazil both are geared to produce for the export market—and when the export market is weak or unstable, both our farm economies suffer. Our economic health rests on developing international trade policies that will encourage long-term, stable and sustainable growth in agricultural trade. We must implement those policies soon.

Why the need for hurry?

Two days ago, I visited the Cerrados—that huge area here in Brazil whose agricultural potential may someday make this country the world's second largest agricultural producer next to the United States. It could even put Brazil in the top spot for animal products.

While in the Cerrados, I visited the agricultural research center there and was briefed on the work being done to unleash the area's potential. I was extremely impressed—and I hope that someday soon the U.S. will become partners in some of this research through a scientific and technical exchange program.

But I have to admit the visit also left me worried.

World markets are already being swamped by overproduction, and everywhere I go, all the research I see, suggests the world is on the verge of technological breakthroughs that will push agricultural output up more than anything yet seen.

USDA scientists tell me that genetic engineering has tremendous possibilities for improving the production of crops and livestock.

On the horizon are new ways to prevent disease, to regulate growth and to improve the physical and nutritional characteristics of plants and animals.

Change is also occurring in methods of tillage, in the use of land. Lands like the Cerrados are being brought into production around the world.

I am concerned about the effect these tremendous production increases will have on the international marketing system in the future.

As I said earlier, recent years have seen a continued drift toward greater protectionism on the part of many importers. This is matched

by the increased use of subsidies and other unfair trade practices on the part of exporters.

I wish I could say Brazil was an exception to this trend, but it isn't. The U.S. poultry and soybean industries are even now being affected by unfair competition from Brazil and other countries.

Certainly, the long run futility and high cost of export subsidization are becoming apparent to more and more nations. Whenever countries strive to undercut one another with bigger and bigger subsidies, the consequences are a general reduction in world price levels as well as a tremendous drain on national coffers.

To me, it seems rather foolish of the world's exporters to be beggaring themselves in this fashion. Ultimately, such subsidies serve only to transfer wealth from exporting to importing nations.

In the United States, we believe the commonsense approach to the supply problem is to let international trade operate on the principle of comparative advantage. Market forces, rather than governments, are far more effective regulators of agricultural production and the flow of trade. Certainly they are the most equitable way to guarantee the efficient use of agricultural resources for the benefit of producers and consumers alike.

However, this approach cannot be unilateral. One country cannot make the necessary supply adjustments for the entire world—that's neither fair nor effective. Yet this has happened. The United States has done all the adjusting.

The United States is pledged to a trade system based on the law of comparative advantage. However, concern is growing that we're the only country playing by those rules. We cannot compete against other nations' subsidized prices without taking special measures that lie outside our established policies in trade.

The international marketing system faces a very real crisis as a result of current production policies. If we don't devise some workable solutions soon, the tremendous increases coming in agricultural productivity are going to overwhelm us.

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**Prepared for delivery by Secretary of Agriculture John R. Block at
the American Chamber of Commerce, Buenos Aires, Argentina,
Aug. 12, 1983**

The World Agricultural Outlook

I am pleased to be here today, and to have this chance to express my appreciation for all you've done to strengthen the ties between the U.S. and Argentina in agriculture.

Our farm systems are linked in many significant respects:

— Both countries have similar climates and soils in many regions, which makes it profitable for us to team up on cooperative research in science and technology.

— We have market-oriented agricultural systems—and our farmers are geared to selling in world markets.

— And even when, as exporters of grains and oilseeds, we find ourselves in direct competition for the same customers, we also are linked in our common need for an international marketing system that promotes stable and sustainable long-term growth.

Right now, world markets are in somewhat of a disarray—a result of overproduction of many commodities and trade practices that are restricting or distorting the flows of trade.

Last year, world farmers harvested record crops of grains, oilseeds, and cotton. Unfortunately, as production was climbing, demand was falling off. The global recession, the heavy debt loads of many prospective importers, and an increase in protectionist trade policies resulted in little, if any, growth in world trade—in marked contrast to the rapid gains of the 1970's.

As a consequence, world stocks of many agricultural commodities have mounted to serious levels and prices are lower. In some countries, the pressure to dispose of surpluses has led to heavy export subsidies. This puts a serious strain on national treasuries—as well as on the relationships between nations competing for markets.

And the economists who work for me in the U.S. Department of Agriculture say we can't expect much improvement in the upcoming marketing year. World demand for agricultural products in 1983/84 is expected to continue stagnant or declining. However, only the United States has made any effort to cut back output so as to move the world's agricultural economy toward the balance necessary for orderly trade.

This crop year, we have established a U.S. government farm program known as PIK that pays farmers with stockpiled commodities for cutting back on plantings. Through PIK, the United States is reducing its prospective output of grains by 22 percent, oilseeds by 14 percent, and cotton by 5 percent.

This represents a tremendous—and successful—effort on the part of the U.S. government and U.S. farmers to do their part to move the world agricultural economy toward the balance necessary for orderly trade.

But our efforts are being offset by production increases elsewhere. Output of grains, oilseeds, and cotton outside the United States is expected to increase once again in 1983/84 to new record highs. As a consequence, world supply and demand is going to continue out of balance for another year.

Trade policy problems are another area of great concern to the U.S. agricultural sector. Hardly a week goes by when we aren't involved in discussions in some part of the world on some agricultural commodity. And recent months have seen some substantial progress.

For example, we reached a new long term grain agreement with the Soviet Union in late July. The new agreement, which runs through September 1988, provides for minimum annual grain sales of 9 million tons of wheat and corn each year, with an option allowing the Soviets to substitute up to 500,000 tons of soybeans or soybean meal for 1 million tons of grain. I hope it represents the resumption of a more normal trading relationship between the United States and the Soviet Union.

We also completed a series of high level bilateral discussions with the European Community that resulted in the formation of a working group to discuss clarification of trade obligations under the General Agreement on Tariffs and Trade. The working group met for the first time about 2 and a half weeks ago.

I'd like to stress that these working group meetings with the EC are not in any way an attempt to "carve up" the international market between us to the detriment of other trading nations. The United States is opposed to market sharing arrangements—our only goal in these talks is to get the EC to take a more rational approach in its production policies and to downplay its use of export subsidies.

Certainly, the high cost and long run futility of export subsidization are becoming apparent to more nations. The consequences are a general reduction in world price levels, a tremendous drain on national coffers of the subsidizing countries, and distortion in the trade of non-subsidizing exporters.

In the United States, we believe the commonsense approach to the supply problem is to let international trade operate on the principle of comparative advantage. In this regard, we are working to adjust the target prices set by U.S. farm programs to make our production more responsive to market signals.

Competition works for, not against, efficient agricultural producers like those in Argentina and the United States. It keeps our farm economies healthy and our industries strong. And only through true competition can we restore order and efficiency to the international marketplace.

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News Releases

U.S. Department of Agriculture • Office of Governmental and Public Affairs

SECRETARY BLOCK IN VENEZUELA AS PART OF LATIN AMERICAN VISIT

CARACAS, VENEZUELA, Aug. 6—Secretary of Agriculture John R. Block arrived today in Venezuela as part of a five-country tour of Latin America to promote the sale of U.S. farm products.

During his three-day visit to Venezuela, Block will meet with President Luis Herrera and other senior officials, including Agriculture Minister Villegas. He also will visit several farms including the agricultural minister's farm located in the Andean region.

Block's delegation includes U.S. agricultural officials and other government representatives as well as members of agricultural trade associations and agribusiness institutions.

"Our farm trade with Venezuela provides an important bond between our countries that benefits all of us," Block said. "U.S.-Venezuelan agricultural relations were greatly enhanced by the recent Presidential Agricultural Task Force to Venezuela. Future discussions of the task force's work will be an important part of this visit."

U.S. exports to Venezuela in 1982 were \$671 million, mainly wheat, sorghum, corn, soybean meal, cottonseed oil and tallow. Imports were \$11 million, mainly coffee, cocoa and tobacco.

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SECRETARY BLOCK ANNOUNCES INCREASED CREDIT FOR EL SALVADOR

SAN SALVADOR, EL SALVADOR, Aug. 8—Secretary of Agriculture John R. Block on Saturday announced increased agricultural credit to El Salvador as a pledge of U.S. commitment to remain a strong agricultural partner.

"We intend to strengthen our agricultural relations with El Salvador through Public Law 480 funds for use in the purchase of agricultural

commodities, as well as through GSM-102 credit guarantees," said Block.

"During my recent visit I signed the final amendment to the fiscal 1983 P.L. 480 Title I agreement with El Salvador. This will add financing for the purchase of \$1.8 million worth of corn, and brings the total year's program level to \$39 million," said Block.

"In addition, I announced that for fiscal 1984, \$32 million has been allocated under the P.L. 480 Title I program for El Salvador, providing financing for the purchase of wheat and wheat flour, vegetable oil and rice.

"We also are extending \$25 million in fiscal 1984 GSM-102 credit guarantees for imports of U.S. protein meals, oilseeds, whey powder, meat and bone meal, corn gluten meal, tallow and poultry breeding stock," Block said.

"The United States has been and will continue to be a major market for El Salvador's agricultural exports, which are very important to its efforts to expand agricultural production and improve the economy," said Block.

While in El Salvador, Block met with President Alvaro Magana and Ministry of Agriculture officials to discuss food import needs, U.S. food assistance programs, and the Caribbean Basin Initiative. Block was in El Salvador as part of a five-country tour of Latin America to promote the sale of U.S. farm products.

"Through the Caribbean Basin Initiative," said Block, "we are offering technical assistance and the expertise of some of our own agribusiness leaders to help El Salvador's agriculture become even more successful."

U.S. agricultural imports from El Salvador in 1982 were \$190 million, primarily coffee and sugar. U.S. farm exports to El Salvador in 1982 were \$55 million, mostly wheat, tallow and cottonseed oil.

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USDA ANNOUNCES SUPPORT LEVEL, BY TYPE, FOR 1983 PEANUTS

WASHINGTON, Aug. 8—The U.S. Department of Agriculture today adjusted price support levels—by type, quality and location—for the 1983 peanut crop based on the previously announced national levels of \$550 per short ton for quota peanuts and \$185 per ton for additional peanuts.

According to Everett Rank, administrator of USDA's Agricultural Stabilization and Conservation Service, the quota support level by type, for an average grade ton of 1983-crop peanuts will be: \$544.71 for Virginia-type peanuts; \$553.77 for runner-type peanuts; \$528.86 for Spanish-type peanuts; \$544.71 for Valencia-type peanuts from the Southwest area which are suitable for cleaning and roasting and \$528.86 for other Valencias.

Rank said the method of computing differentials, the schedule of premiums, discounts, quality and location adjustments for this year's crop are the same as for the 1982-crop. The actual support levels for an individual lot of peanuts will depend on the percent of the various sizes of kernels in each ton of nuts and other factors. For each percent of sound mature kernels and sound split kernels, the support level per ton is: Virginia-type peanuts, \$7.91; runner-type peanuts, \$7.755; Spanish-type peanuts, \$7.794; Valencia-type peanuts in the Southwest area suitable for cleaning and roasting, \$8.184; and for other Valencias \$7.794.

The loan value for additional peanuts is 33.64 percent of the applicable quota rate, Rank said. This factor represents the ratio of the \$185 per ton national support level for additional peanuts to the \$550 per ton national support level for quota peanuts.

#

USDA SPONSORING WORKSHOPS TO HELP GRAIN SHIPPERS COPE WITH RAIL DEREGULATION

WASHINGTON, Aug. 8—The U.S. Department of Agriculture will sponsor one-day workshops in seven grain-producing areas, Sept. 12 - 16, to help grain shippers adapt to changes resulting from railroad deregulation.

"Deregulation of the nation's railroads has meant a particularly difficult readjustment for grain shippers, who rely heavily on rail transportation systems," said Martin F. Fitzpatrick, director of USDA's Office of Transportation. Since passage of the Staggers Rail Act of 1980, he said, many longstanding grain shipping practices have had to be modified.

"USDA's Office of Transportation is sponsoring these workshops so those with first-hand experience in dealing with rail deregulation can share the practical advice grain shippers need," he said.

All workshops will begin at 8:45 a.m. and end at 4 p.m. The dates and locations are:

- Sept. 12; Champaign, Ill., at the University Inn, 302 East John;
- Sept. 12; Richland, Wash., at the Holiday Inn (Holidome), 1515 George Washington Way;
- Sept. 13; Des Moines, Iowa, at the Sheraton Inn, 11040 Hickman Rd. (I-80 & 35);
- Sept. 14; Great Falls, Mont., at the Holiday Inn, 1411 10th Ave. S. (US 87 & 89);
- Sept. 15; Hastings, Neb., at the Holiday Inn (Holidome), N. 281 and W. 22nd St.;
- Sept. 16; Hutchinson, Kan., at the Holiday Inn (Holidome), 1400 N. Lorraine, P.O. Box 129; and
- Sept. 16; Bismarck, N.D., at the Best Western Kirkwood Motor Inn, 800 S. 3rd St., Civic Center & Kirkwood Plaza.

Workshop panels will include Office of Transportation officials, major and local grain shippers and agricultural economists specializing in transportation and marketing issues in those grain-producing areas.

Speakers will address such topics as contract rates, joint rates, unreasonable rates, through routes, switching and how grain shippers might view any future deregulation efforts. There will be ample

opportunity for audience participation and questions, according to Fitzpatrick.

"Minimizing deregulation's impact on agriculture is the agency's top priority," Fitzpatrick said.

In addition to publishing an assessment report last year on the issue, he said, the Office of Transportation has worked closely with the Interstate Commerce Commission, Congress and others in the public, private and academic sectors to determine problem areas and how they might be resolved.

#

USDA SEEKS NOMINATIONS TO AMERICAN EGG BOARD

WASHINGTON, Aug. 8—The U.S. Department of Agriculture has asked certified egg producer organizations for nominations to replace nine American Egg Board members and their alternates whose terms will expire Dec. 31.

H. Connor Kennett, a poultry official with USDA's Agricultural Marketing Service, said the new appointees will serve two-year terms beginning in 1984. Nine members of the current 18-member board will continue serving through next year.

"Fifty-three producer groups are now certified to submit nominations under the egg research and promotion order," Kennett said.

Current board members whose terms are expiring, their alternates and the geographical areas represented, include:

Area 1 (North Atlantic states): W. Robert Park, Valencia, Pa., member; Donald E. Horn, Ephrata, Pa., alternate.

Area 2 (South Atlantic states): Perry McCranie, Jr., Tifton, Ga., and Rivers Carl Scarbrough, Lamar, S.C., members; Edward L. Houston, Lumber City, Ga., and Ray C. Jones, Gainesville, Ga., alternates.

Area 3 (East North Central states): member position vacant; Joseph J. Maust, Pigeon, Mich., alternate.

Area 4 (West North Central states): F. James Rich, Kolona, Iowa, member; Gilbert B. Eckhoff, Omaha, Neb., alternate.

Area 5 (South Central states): Richard K. Looper, Jackson, Miss., and John K. Ashby, Clarksville, Tenn., members; Gerald Holmes, Stonewall, La., and Ernest Mahard, Jr., Prosper, Texas, alternates.

Area 6 (Western states): Howard Dean Foster, West Covina, Calif., and Ernie T. Gemperle, Turlock, Calif., members; Harvey A. Roff, Norco, Calif., and Michael F. Bromley, American Fork, Utah, alternates.

Nominations also are being sought for an existing alternate vacancy in Area 5 to serve the remainder of the 1983-84 term.

Nominations should be sent by Oct. 1 to H. Connor Kennett, Poultry Division, rm. 3932-S, AMS, USDA, Washington, D.C. 20250. Phone: (202) 447-4476.

The egg research and promotion order, authorized by the Egg Research and Consumer Information Act, provides that certified egg producer organizations within each geographical area can meet to jointly nominate members and alternates.

The American Egg Board administers the producer-sponsored national research and promotion program that is designed to strengthen the egg industry's competitive position in the marketplace. The Agricultural Marketing Service reviews the program's budget, plans and projects to assure they comply with the law and are in the public interest.

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SECRETARY BLOCK PLEDGES COMMITMENT TO U.S.-BRAZILIAN TRADE

BRASILIA, Brazil, Aug. 9—Secretary of Agriculture John R. Block arrived here today for three days of high-level agricultural discussions to promote U.S. agricultural exports and to exchange views on grains and oilseeds.

"This is a unique opportunity to explore the many mutual interests of Brazil and the United States," said Block. "Brazil is one of our larger partners in agricultural trade and a good market for U.S. wheat. It is

also our principal supplier of agricultural imports, primarily coffee. And in some commodities—soybeans and poultry—we also are vigorous competitors."

Comparing Brazil's modern capital with the country's modernization drive, Block said, "Nowhere has Brazil's dynamic growth been more evident than in agriculture.

"The growth and progress of Brazilian agriculture in the past decade have made it the envy of the world. Brazil has done this not only by importing technology, but also through developing its own agricultural expertise to address the needs of its climate. I am looking forward to seeing many of the innovations in Brazilian agriculture while I am here," said Block.

Block will meet today with Minister of Agriculture Amaury Stabile and then travel to the Center for Agricultural Research in the Cerrados, where research in agriculture is changing the face of land use and exploring the wealth of Brazil's agricultural potential. He also will visit wheat and soybean producing areas.

Block will travel to Rio de Janeiro tomorrow to meet with the president of the Brazilian Wheat Board and the director of the foreign trade office of the Bank of Brazil to discuss mutual trade issues and credit.

In 1982, U.S. agricultural exports to Brazil were \$523 million, primarily wheat and pulses. U.S. imports from Brazil during this period were \$1.5 billion, primarily coffee, orange juice concentrate, sugar and prepared meats.

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USDA ANNOUNCES 1984 WHEAT PROGRAM

WASHINGTON, Aug. 9—Deputy Secretary of Agriculture Richard Lyng today announced provisions of the 1984 wheat program and set the signup period from Jan. 16 through Feb. 24.

Lyng said because Congress took no legislative action on a proposed freeze in the wheat target price before its summer adjournment, he is now putting into effect provisional measures previously announced on July 29. The U.S. Department of Agriculture is required by law to

announce the wheat program for the following year no later than Aug. 15.

The 1984 wheat program includes:

- A \$4.45 per bushel target price.
- A \$3.30 per bushel national average loan rate.
- An acreage reduction requirement of 30 percent.
- No advance deficiency payments.
- To be eligible for program benefits, producers must limit 1984 wheat planted acreage to no more than 70 percent of the farm's wheat base and devote to conservation use an acreage of eligible cropland equal to 42.86 percent of the 1984 planted and payment-in-kind (PIK) acreage.
 - The 1984 acreage base will be the average of the acreage planted and considered planted to wheat in 1982 and 1983.
 - Farmers participating in the acreage reduction program may divert an additional 10 to 20 percent of their wheat base and receive payment-in-kind equal to 75 percent of the established yield times the acres diverted.
 - PIK program participants will not receive wheat from Commodity Credit Corporation stocks. Producers signing up in the PIK program will agree first to use their outstanding reserve or regular CCC price support loans. Producers with no outstanding loans agree to harvest for PIK. Those producers with no outstanding loans and who are unable to harvest for PIK will not receive a PIK payment.
 - Land designated for conservation use must have been devoted to row crops or small grains in two of the last three years except for a summer fallow farm. Under summer fallow rules the land must be acreage that would have been planted to small grains or row crops in 1984 in the absence of the 1984 wheat program.
 - Haying will not be permitted on the conservation use acreage. However, the acreage may be grazed except during the six principal growing months.
 - Offsetting and cross compliance will not apply to the 1984 program.
 - There will be no immediate entry into the farmer-owned reserve for the 1984 crop of wheat. Further, USDA intends to review the size of the reserve before regular price support loans for the 1984 crop reach

maturity. A ceiling may be placed on the size of the wheat reserve at that time which will effectively preclude entry of the 1984 crop into the reserve.

— Contracts signed by program participants for either the acreage reduction or PIK program will be considered as binding and will provide for liquidated damages for failure to comply with program requirements.

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USDA ISSUES EMERGENCY GRAZING PROVISIONS

WASHINGTON, Aug. 9—The U.S. Department of Agriculture today issued special provisions that will allow producers in some drought affected counties to graze their own livestock on their own conservation use acreage.

Conservation use acreage is cropland that has been removed from production and devoted to approved cover as a requirement for the acreage reduction program, paid diversion and the payment-in-kind program.

Requests for permission to graze should be made to county offices of USDA's Agricultural Stabilization and Conservation Service, according to Deputy Secretary of Agriculture Richard Lyng. Approval for the special grazing provisions will be on a county-by-county basis.

If approval for special grazing is granted, county ASCS offices immediately will notify all producers. Producers interested in conservation use acreage grazing then must notify county ASCS offices of their intentions.

Lyng said USDA is aiming at a "24-hour turnaround" in getting approval back to the counties affected. "ASCS will give these requests highest priority," he said.

These special provisions are for conservation use acreage only, and do not apply to wildlife acreage. Grazing will be restricted to livestock owned by the producer as of Aug. 1.

A producer may not let another use his conservation use acreage; it must be his livestock on his land. The permitted grazing may not remove cover to the extent that the acreage would lose its protection from weeds and from wind or water erosion, Lyng said.

These provisions take effect immediately and will apply for the remainder of the county's six-month non-grazing period.

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USDA RECOMMENDS ENDING EFFORT TO ESTABLISH PECAN ASSESSMENT PROGRAM

WASHINGTON, Aug. 11—The U.S. Department of Agriculture today issued a proposed decision recommending termination of proceedings to establish a marketing agreement and order program for pecans produced in 16 states.

Pecan growers, shellers and the public will have until Sept. 26 to submit comments or exceptions to the action, known legally as a "recommended decision."

Charles Brader, a marketing official with USDA's Agricultural Marketing Service, said evidence presented at public hearing sessions held last February in Atlanta, Ga., Dallas, Texas, Mobile, Ala., and Washington, D.C., failed to adequately substantiate the need for such a program or identify a workable means for administration.

Brader said the program was proposed by the Federated Pecan Growers' Associations of the United States. The program would have authorized marketing research and development projects for pecans produced in the selected states, financed with assessments collected from pecan shellers.

"Today's action is tentative and provides for a lengthy period — 47 days—during which anyone may file exceptions," Brader said. "Only after evaluation of the full record, including any exceptions, will the secretary of agriculture issue a final decision on the issue."

Currently 48 marketing agreement and order programs are in effect, covering a wide range of fruits, vegetables and specialty crops.

Comments on the recommended decision should be submitted in duplicate to Hearing Clerk, rm. 1077-S, USDA, Washington, D.C. 20250, where anyone may see them.

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OATS RELEASED FROM FARMER-OWNED GRAIN RESERVE

WASHINGTON, Aug. 11—Oats in the farmer-owned reserve was released for redemption, effective immediately, by Everett Rank, executive vice president of the U.S. Department of Agriculture's Commodity Credit Corporation.

Rank said this means farmers now may sell—but are not required to sell—their reserve oats after repaying their CCC price support loans. The reason for today's action, he said, was that the national average price received by farmers for oats had reached the \$1.65 per bushel release level.

Current USDA reports show 5.3 million bushels of oats in reserve.

USDA makes storage payments to farmers with grain in the reserve. Upon repayment of the loan, farmers can keep the storage payments earned through the date of repayment.

Release of the reserve oats will continue through Sept. 30, Rank said. If the five-day national average market price remains at or above \$1.65 on Oct. 1, storage earnings will stop and interest on the price support loan will begin to accrue for oats that has been in the reserve for more than one year. Interest already is accruing on loans for oats that has been in reserve less than one year.

If the Oct. 1 price falls below \$1.65, reserve oats no longer will be in release status and farmers will continue earning storage payments.

Data used by CCC in determining the release level include five-day moving average prices—as reported by USDA's Agricultural Marketing Service — which show prices bid by buyers at selected markets, and a month-end report of prices received by farmers issued by USDA's Statistical Reporting Service. This report shows the previous month's average price and the current mid-month price.

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SECRETARY BLOCK IN ARGENTINA AS PART OF LATIN AMERICAN VISIT

BUENOS AIRES, ARGENTINA, Aug. 12—Secretary of Agriculture John R. Block arrived today in Argentina as part of a five-country tour of Latin America to promote the sale of U.S. farm products and to exchange views on the marketing of grain and oilseeds in third world countries.

"As leading producers of grains and oilseeds, Argentina and the United States frequently compete for the same client nations," Block said. "This competition gives us a lot in common and puts us in a position of being friendly rivals."

During his three-day visit to Argentina, Block will meet with President Reynaldo Bignone and other senior officials. He will also attend the inauguration of the 31st International Livestock and Industry Show. Before leaving for the United States, Block will visit a ranch in Buenos Aires Province.

Block's delegation includes U.S. agricultural officials and other government representatives as well as members of agricultural trade associations and agribusiness institutions.

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